Message Text

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66

ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 COME-00 CIAE-00 INR-07 NSAE-00

PA-01 PRS-01 USIA-06 SP-02 /034 W

R 141247Z MAY 75 FM AMEMBASSY CAIRO TO SECSTATE WASHDC 3950 INFO AMEMBASSY TEHRAN

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E.O. 11652: NA TAGS: EGEN EG

SUBJECT: ANTI-CORRUPTION CAMPAIGN: IRANIAN BUS DEAL CLEARED

REF: CAIRO 4302

- 1. PRESS GIVES EXTENSIVE COVERAGE TO DECISION OF PEOPLE'S ASSEMBLY TO APPROVE REPORT OF FACT-FINDING COMMITTEE THAT PURCHASE OF IRANIAN MERCEDES BUSES WAS SOUND AND CORRECT INSOFAR AS CONTRACTING PROCEDURES AND PRICES ARE CONCERNED. WITH EXCEPTION MINOR SHORTCOMING RELATED TO RECORDING MINUTES OF NEGOTIATING SESSIONS AND FAILURE TO UNDERSTAND SHIPPING CONDITIONS, PURCHASE WAS IN BEST INTERESTS OF EGYPT.
- 2. COMMITTEE REPORT APPARENTLY WENT INTO CONSIDERABLE DETAIL TO POINT OUT URGENT NEED FOR ADDITIONAL MEANS OF TRANSPORT IN CAIRO AND FACT THAT DEAL WAS CONCLUDED WITHIN OVERALL FRAMEWORK OF EGYPTIAN-IRANIAN COOPERATION. TERMS ARE STATED AS 15 PERCENT DOWN, 5 PERCENT INTEREST, WITH ONE-YEAR GRACE PERIOD. BUSES COST \$709 LESS THAN ANY SIMILAR BUSES (READ GERMAN MERCEDES) EVEN THOUGH CERTAIN MODIFICATIONS WERE MADE AT EGYPTIAN REQUEST. REPORT ALSO NOTES THAT FIRST SHIPMENT ARRIVED WITHOUT DOORS, WHICH WERE LATER RECEIVED FROM GERMANY.
- 3. COMMENT: ONE OF THREE CASES TO BE CONSIDERED BY ASSEMBLY HAS THUS BEEN SETTLED WITH NO EVIDENCE OF CORRUPTION LIMITED OFFICIAL USE

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EXPOSED. RUMORS WILL PROBABLY CONTINUE TO CIRCULATE, HOWEVER,

PARTICULARLY SINCE REPORT REGRETS FACT THAT TWO OFFICIALS WHO
VOICED OBJECTION TO BUS DEAL WERE UNCOOPERATIVE AND REFUSED
TO GIVE DIRECT ANSWERS TO QUESTIONS PUT TO THEM BY COMMITTEE.
EILTS

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Message Attributes

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Current Classification: UNCLASSIFIED

Concepts: POLICIES, CORRUPTION, PROCUREMENT, ECONOMIC PROGRAMS, MOTOR BUSES

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